

FISCAL NOTE
SB 3
FIRST EXTRAORDINARY SESSION

March 30, 1999

SUMMARY OF BILL: Exempts from the payment of premium taxes those revenues directly derived from the TennCare program.

ESTIMATED FISCAL IMPACT:

Decrease State Revenues - Net Impact - Exceeds \$30,000,000

Estimate assumes a significant decrease in state revenues through the premium tax exemption in this bill will be offset by approximately \$2,000,000 in state revenues through the payment of additional franchise and excise taxes. Currently the premium tax can be used as a credit against franchise and excise taxes. However, the net decrease to state revenues is estimated to exceed \$30,000,000.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director